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## China, Peoples Republic of

### FAIRS Product Specific

## Implementation Measures of 2005 TRQ Allocation for Imported Grain and Cotton

### 2004

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**Report Highlights:**

This is an UNOFFICIAL translation of the Implementation Measures of 2005 TRQ Allocation for Grains and Cotton issued by the National Development and Reform Commission on September 30, 2004. Exporters should carefully discuss regulations and their application with Chinese importers to ensure their interpretation of the regulation is accurate.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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Beijing [CH1]  
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**Summary**

The following is an UNOFFICIAL translation of the Implementation Measures of 2005 Tariff Rate Quota (TRQ) Allocation for Imported Grains and Cotton as issued by the National Development and Reform Commission on September 30, 2004. According to its WTO Accession Agreement obligation, China must publish TRQ allocation details for major imported agricultural products one month ahead of the application period, which is from October 15 to October 30 of each year. Import TRQ's for grain and cotton have been phased in and now have reached their final quantities. The allocation measures and requirements are basically the same as those in 2004. The document also contains one appendix, the Application Form of Agricultural Product Import TRQ Certificate.

BEGIN TRANSLATION

**Implementation Measures of 2005 TRQ Allocation for Imported Grain and Cotton**

In accordance with the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota" (Decree NO. 4), jointly issued by the Ministry of Commerce and the National Development and Reform Commission (hereinafter referred to as NDRC), the 2005 TRQ amount, application requirements, and allocation principles for imported grains and cotton are announced as follows:

1. The 2005 TRQ amount for imported grains and cotton shall be: wheat 9.636 million metric tons with 90% designated for state trading firms; corn 7.2 million metric tons with 60% designated for state trading firms; rice 5.32 million metric tons (long grain rice 2.66 million metric tons; medium-short grain rice 2.66 million metric tons) with 50% designated for state trading firms; and cotton 894,000 metric tons with 33% designated for state trading firms.
2. Enterprises engaged in imports of aforementioned agricultural products through general trade, processing trade, barter trade, border small-scale trade, aid, and charities should apply for import TRQs and proceed through customs clearance with an Agricultural Product Import TRQ Certificate. Products entering bonded warehouses, bonded areas or export processing zones shall be exempt from applying for an Agricultural Product Import TRQ Certificate.
3. Fundamental requirements for applicants of agricultural product import TRQs shall include the following: Applicants shall be registered with the State Industry and Commerce Management Authorities before October 1, 2004 (need to provide copy of corporate business license); Applicants shall have a good financial status and tax payment record (need to provide relevant data for 2003 and 2004); Applicants shall have no violation record with the Customs, Industry and Commerce, Tax Bureau or Quarantine Authorities in 2002-2004; Applicants should have passed the 2003 enterprise inspection; Applicants shall have no record of violating the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota" .

Under the aforementioned conditions, applicants for import TRQs shall conform to one of the following categories:

- (I) Wheat
  - a. State-owned enterprise;
  - b. Central enterprise with state reserve functions;
  - c. Enterprise with import records in 2004;
  - d. Enterprise with daily wheat processing capacity of more than 400 tons;
  - e. Enterprise without import records in 2004 but engaged in processing trade that uses wheat as a raw material, has import/export rights and holds a certificate of processing trade capacity issued by local trade authorities

## (II) Corn

- a. State-owned enterprise;
- b. Central enterprise with state reserve functions;
- c. Enterprise with import records in 2004;
- d. Enterprise processing compound feed using corn as a raw material and a need of over 50 thousand metric tons of corn a year;
- e. Other producing enterprises using corn as a raw material and a need of over 100 thousand metric tons of corn a year;
- f. Enterprise without import records in 2004 but engaged in processing trade that uses corn as a raw material, has import/export rights and holds a certificate of processing trade capacity issued by local trade authorities

## (III) Paddy Rice and Milled Rice (Separate application is needed for long grain rice and short-medium grain rice)

- a. State-owned enterprise;
- b. Central enterprise with state reserve functions;
- c. Enterprise with import records in 2004;
- d. Enterprise qualified for handling wholesale and retail grains with an annual sales value greater than RMB 100 million;
- e. Enterprise with annual import and export value greater than USD 25 million;
- f. Enterprise without import records in 2004 but engaged in processing trade that uses paddy rice and milled rice wheat as raw materials, has import/export rights and holds a certificate of processing trade capacity issued by local trade authorities.

## (VI.) Cotton

- a. State-owned enterprise;
- b. Enterprise with import records in 2004;
- c. Cotton mill enterprise equipped with more than 50,000 spindles.

4. The aforementioned agricultural product import TRQs are allocated on the basis of application quantities, historical records, production capacity, and other relevant industry criteria.

- 1). When import TRQ amount can satisfy applicants' total requested quantities, the TRQs will be allocated according to an applicant's requested quantities.
- 2). When import TRQ amount cannot satisfy applicants' total requested quantities, priority shall be given to those who have an actual history of imports. Applicants without an actual history of imports will be allocated proportionally, based on their processing capacity and business volume. In case the requested quantities are lower than the proportionally allocated quantities, the requested quantities will apply.

5. The application period for 2005 TRQ for imported grains and cotton shall be October 15 to 31, 2004. Import TRQ applicants may obtain an application form (see appendix) from NDRC authorized agencies or download a copy from the NDRC web site (<http://www.ndrc.gov.cn>) and fill out the form based on facts.

6. NDRC authorized agencies are responsible for handling enterprise applications within their jurisdiction, submitting the eligible applications to NDRC, and copying to the Ministry of Commerce, before 30 November 2004.

7. NDRC will allocate Agricultural Product Import TRQs to the end-users through authorized agencies before January 1, 2005.

**Appendix:**

Application Form of Agricultural Product Import TRQ  
Appendix:

### Application Form of Agricultural Product Import TRQ

Stamp of Applicant Organization:

Signature of Applicant's Legal Representative:

Name of Enterprise: import			
Import Commodity:	<input type="checkbox"/> With 2004 general trade import record	<input type="checkbox"/> With 2004 processing trade import record	<input type="checkbox"/> Without 2004 import record
General trade	Application amount: Declaration Port 1). 2).	Processing trade	Application amount: Declaration Port 1). 2).
Registered Address:			
Registered capital:		Registration NO.	Telephone:
Business category:			Customs Code:
Registered Capital:	Industry & Commerce Registration Number:		State Tax Registration Number:
Nature of Enterprise:	<input type="checkbox"/> State-own <input type="checkbox"/> Share-holding <input type="checkbox"/> Private <input type="checkbox"/> Foreign Invested		
Type of Enterprise	<input type="checkbox"/> Manufacturing enterprise <input type="checkbox"/> Trading enterprise		
The following is to be completed by the Manufacturing Enterprises:			
2004 Products and Production Capability	Name of Product:		Name of imported ag product Needed:
	Daily Production (Metric Tons):		Daily Demand (Metric Tons):
	Annual Production (Metric Tons):		Annual Demand (Metric Tons):
	Annual Sales Value (10,000 RMB):		
The following is to be completed by processing trade enterprises with actual import record:			
Processing trade TRQs in 2003	Allocated TRQs:		Processing trade TRQs in 2004
	Actual imports:		
General trade TRQs in 2003	Allocated amount (MT):		General trade in 2004
	Actual imported amount (MT):		
	Returned amount (MT)		
The following is to be completed by enterprises with grain wholesale/retail qualifications:			
2003 grain trade sales value (10,000 RMB):		2003 grain import/export value ( 10,000 USD):	
2004 completed grain trade sales value (10,000 RMB):		2004 completed grain import/export value (10,000 USD)	
Whether agree to provide TRQ allocation information to international/domestic inquiries: <input type="checkbox"/> yes <input type="checkbox"/> no			

Verification Comments completed by Authorized Agency:
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## Notes:

1. "2004 product and production capacity" refers to products produced from requested import agricultural products and production capacity. 2. "Daily and Annual Production" and "Daily and Annual Demand" refer to enterprise daily, annual production in 2004, and daily, annual demand for imported agricultural products. 3. Cotton enterprises should fill out the quantity of spindle facilities in "Daily Demand" column.

END TRANSLATION